

Policy Title	Policy and Procedure for Accounts Receivable
Policy Objective	The Policy and Procedures for Accounts Receivable policy establishes the procedures for the management, collection, and reporting of Accounts Receivable.
Target Audience	This policy applies to all Miles Ahead Charter School personnel, particularly those involved in the management, collection, and reporting of AR.
Risk Matrix	Controls of the process are detailed in the Risk Control Matrix.
Effective Date	April 1, 2023
Revision History	Issued March 18, 2023
Mandatory Revision Date	April 2024

Policy

I

Accurate records are to be maintained on all accounts receivable. The records to be maintained for each customer must include the complete name and address plus the social security number (when necessary), Federal Employer Identification Number (FEIN) or other taxpayer identification number.

At the time of sale, an invoice is to be provided to the customer. The sale is to be entered into an accounts receivable ledger for the customer and the total sales for the day are entered into a control ledger. The accounts receivable ledger is to be maintained for each account showing all charges and payments. The control ledger is to equal the receivable ledgers for all customers. A monthly reconciliation is to be completed between the receivable records for the customers and the control ledger to ensure accuracy.

Statements are to be sent at least monthly to all customers who have an outstanding balance due. The statement should indicate the total balance due and identify a payment due date. The payment due date is based on the Agree upon credit term agreed by Omni International Inc and the “Customer”. To limit write off and nonpayment issues Credit term our reserves only for customer that have went through a rigorous approval process and have approval by the AR department analysis working with the Sales teams.

II

It is the responsibility of AR Department to collect monies due to Omni International Inc in the most effective and efficient manner. The following procedures should be used at a minimum for collecting amounts due:

Step	Days From Date of Charge	Action

1	1	Send first Statement to Customer when
2	15	Send Customer a reminder of Upcoming Invoice
3	31	Call or email customer to inform of Past due Invoice and inform them that their account is considered delinquent and Future order are on Credit Hold until Account is Current.

III

A. Cash Collection

The Sr Billing & Collections Analyst is responsible for collection of Account Receivable in a timely manner: Miles Ahead Charter School current Days Sales Outstanding (DSO) aim is 33 days for all invoices.

While most of our current customers pays Miles Ahead Charter School through electronic payment in the form of ACH and Wire Transfer. For Check/Money Order the process is design to ensure proper documentation, timely review, and safeguard, ensuring the Payment is applied to the proper customer.

The collection of the mail is done by the accountant, with the accountant documenting the receiving of payment and handing the payment to the collection analyst for processing. After crediting the customer account for the payment and adjusting the AR to reflect the payment. Checks are process once a week with a summary ledger send to both the accountant and the controller for Verification.

IV

A. Segregation of Duties

There must be an appropriate segregation of functional responsibilities to ensure appropriate financial controls from the initiation of a sales up to its actual collection payment from customers.

B. Monitoring Accounts Receivable

Monitoring accounts receivable is an important part of the overall financial process and should be done regularly. Staff responsible for collections should ensure that accounts receivable remain current, outstanding payments are regularly reviewed and that payments do not go beyond the payment terms stipulated with vendors.

C. How to properly file Account Receivable documentation

Proper filing of accounts receivable documentation is not only important for audit purposes but is also essential for allowing Omni International Inc to maintain and quickly access documentation when required. Everyone is responsible for maintaining proper records that are well organized, safe, and easy to understand. Specifically, it is important

to file documentation in a manner that permits tracing of collections back to their supporting documentation in a logical and secure manner. Refer to the Document Retention Schedules of PKI policy for more information.

Control	Risk Description	Control Objective	Control Activity Description	Who Perform
AR-1.0	Payment made for good or services that were not order	All Payment received are match to Invoices Issued	Match Customer Payment to Invoice and reconcile customer balance periodical and issues statement every cycle to customer	Billing Analyst
AR-2.0	Customer Payment are properly document.	Ensuring customer balance is accurate and up to date.	Payment is received and documented by Accountant, Ledger is maintained and update by billing specialist.	Accountant, Billing Analyst
AR-3.0	Payment is Embezzled, or Misused	To Ensure payment is not misused or misappropriated	Separation of Duty, Proper documentation.	Accountant, Billing Analyst, Controller, CFO